



**NATIONAL BISCUIT COMPANY**  
**ANNUAL REPORT**  
**JANUARY 31, 1903**

To the Stockholders of  
NATIONAL BISCUIT COMPANY

The following is the balance sheet of the Company at close of business,  
January 31, 1903.

Assets		
Plants, Real Estate, Machinery, Patents, etc.	\$51,276,732.00	
Less Depreciation Account	<u>300,000.00</u>	\$50,976,732.00
Cash	\$ 1,709,495.41	
Stocks and Securities	662,803.20	
Accounts Receivable	3,041,464.68	
Raw Material, Supplies and Finished Product	<u>4,679,603.38</u>	\$10,093,366.67
		<u>\$61,070,099.57</u>
Liabilities		
Capital Stock, Preferred	\$24,304,500.00	
Capital Stock, Common	<u>29,236,000.00</u>	\$53,540,500.00
Bonds Payable and Mortgages Payable, Assumed at Formation of Company, not yet Matured	\$ 1,814,000.00	
Less Amount Paid	<u>319,000.00</u>	\$ 1,495,000.00
Accounts Payable, including Accrued Interest		\$ 739,787.89
Balance, Jan. 31, 1902	\$ 4,455,424.59	
Earnings, 12 months to Jan. 31, 1903, inclusive	<u>3,689,338.09</u>	
	\$ 8,144,762.68	
Less Dividends Paid, 12 mo. to Jan. 31, 1903, inc.	<u>2,849,951.00</u>	\$ 5,294,811.68
		<u>\$61,070,099.57</u>
Sales, 12 months to Jan. 31, 1903, inclusive		\$40,221,925.08
Profits, 12 months to Jan. 31, 1903, inclusive		3,689,338.09
Percent of Profit to Sales		9.17

The sales and profits of the Company, year by year, since its organization, have been as follows:

	Sales	Profits
1898	\$34,051,279.84	\$3,292,143.10
1899	35,651,898.84	3,302,155.00
1900	36,439,160.00	3,318,355.19
1901	38,625,134.78	3,670,445.05
1902	40,221,925.08	3,680,338.09

It will be observed that the sales of the Company show an increase over the preceding year of over a million and a half dollars. The net profits of the Company show a small increase over the preceding year. We have thus reduced our percentage of profit to sales without reducing the total amount of our profits. Although the price of nearly every article of raw material used by the Company in the manufacture of its goods has been higher during the last than during the preceding year (the increase in some cases being very large), we considered it the wisest policy to make no general advance in our price list, and the prices of our goods have remained substantially the same as during the preceding year. While the margin between the prices of raw material and the prices obtained for our goods has been considerably less than during the preceding year, and the result would naturally be a reduction in profits, yet we believed we could avert this result by increased sales, by the economies we have introduced and are continually introducing, and by the more thorough organization of our different departments. The event has justified our policy. We have by no means reached the limit in this direction, and confidently expect with each succeeding year to be able to manage the Company more economically and with a more thorough and perfect organization, because it is upon the efficiency of the internal management of a corporation alone that its continued success must depend.

We have had a very large increase in the sale of our package goods bearing our in-er-seal trade mark design, and such increase may be fairly said to mark the increase in the value of the Company and the stability of its business. This package business has reached its present volume because we have what the great consuming public want, of which we have apprised them by our extensive advertising. This increase in the sale of our package goods has not been confined to any one city or state, but is well distributed over the entire country; and it is particularly gratifying, also, to state that the percentage of increase has been larger with each succeeding month, so that the month of January, the last one of the fiscal year, shows the largest percentage of increase of any month during the year.

Though rival manufacturers have made strenuous efforts, by imitations of our packages, to deceive the consumer and steal away a portion of the business we have honestly acquired, such efforts have failed, and must always fail.

The great consuming public have responded in a most generous manner to our efforts. They are our friends and allies. With their continued assistance we know that this package business, as the years go on, has boundless opportunity of further development.

We have been somewhat hampered in our efforts to increase the business on our package goods during the last year from our inability to manufacture them in sufficient quantities to promptly supply the increasing demand. We are now building two large factories, one in New York and one in Chicago, especially for the manufacture of Unceda Biscuit, and when they are completed, which will be in the course of a few months, we expect to be able, for a while at least, to promptly supply all the packages that our salesmen can sell.

These two new factories are of fire-proof construction, will be equipped with the most improved and modern machinery, will be lighted and operated by electricity, and will be the finest biscuit factories in the world. They will

be able to turn out five hundred thousand packages of Uneeda Biscuit a day. Their cost, when equipped and in operation, will be about one million two hundred and fifty thousand dollars.

A series of meetings have been held, during the year, over the country, which have been productive of great good. We have taken certain central points, like New York, Pittsburg, Cincinnati, Chicago, St. Joseph, Mo., Memphis and other cities, and in each one of these cities have called together the managers and salesmen of the surrounding territory. At such meetings we have had elaborate and artistic displays of our package goods. The officers of the Company have attended all these meetings, and explained to the managers and salesmen the policy of the Company, the method to be adopted for increasing the sales of its package goods, and other matters of interest relating to the business of the Company. These meetings have given the managers and salesmen and officers of the Company a chance to become acquainted with each other.

It has been a great pleasure to be able to state at such meetings that our Company's policy is an open and honest one, that it has nothing to conceal, and that it has no fear of any exposition of its affairs because it has nothing to conceal. We impress upon these salesmen and managers that the policy of this Company is to attend strictly to its own business, which is to manufacture and sell its own goods at a fair price. All of these meetings were full of enthusiasm, and we may fairly say that no Company has a more enthusiastic and loyal body of salesmen than this Company of ours. In fact, we may say the same about the whole body of the employees of the Company, in all its departments. We extend to all fair treatment and receive in return good service.

Two years ago we adopted a plan enabling employees to buy our preferred stock, paying for it in installments. Since that time our employees have purchased four thousand six hundred and fifty-five shares under this plan. We believe that each year the number of shares owned by our

employees will steadily increase, to the mutual advantage of themselves and the other stockholders.

The total number of stockholders of the Company, immediately after its organization, was about thirteen hundred. The total number now is about sixty-five hundred.

Respectfully submitted,

A. W. Green,

Chairman of the Board of Directors.

## **Directors**

<b>A. W. Green</b>	<b>Chairman of the Board</b>	<b>Chicago</b>
<b>Wm. T. Baker</b>		<b>Chicago</b>
<b>D. F. Bremner</b>		<b>Chicago</b>
<b>B. F. Crawford</b>		<b>Chicago</b>
<b>L. D. Dozler</b>		<b>St. Louis</b>
<b>H. J. Evans</b>		<b>Chicago</b>
<b>J. W. Hazen</b>		<b>Boston</b>
<b>Frank O. Lowden</b>		<b>Chicago</b>
<b>S. S. Marvin</b>		<b>Pittsburg</b>
<b>T. S. Ollive</b>		<b>New York</b>
<b>Norman B. Ream</b>		<b>Chicago</b>
<b>Jno. D. Richardson</b>		<b>St. Joseph</b>
<b>C. E. Ramsey</b>		<b>Chicago</b>
<b>H. F. Vories</b>		<b>Chicago</b>
<b>J. B. Vredenburg</b>		<b>Jersey City</b>

## **Officers**

<b>A. W. Green</b>	<b>Chairman of the Board of Directors</b>
<b>B. F. Crawford</b>	<b>President</b>
<b>H. F. Vories</b>	<b>Vice-President</b>
<b>Frank O. Lowden</b>	<b>Second Vice-President</b>
<b>J. A. Lewis</b>	<b>Assistant Treasurer</b>
<b>F. E. Bugbee</b>	<b>Secretary</b>